America to finance her purchases there and those of her Allies.

It'''may be true that capital will not flow to London if London is not in a position to lend, but we see no reason why London should not be able to resume her position as an international money lender, not perhaps immediately on the declaration of peace, but as soon as the aftermath of war has been cleared away and the first few months of difficulty and danger have been passed. The prophecy that foreign trade will decrease may also be true for a time owing to the destruction of merchant shipping that the war is causing. This possibility, however, may be remedied between now and the end of the war if the great programmes of merchant shipbuilding which have been undertaken by the British and American Governments are duly carried out. In any case, even if foreign trade decreases, there is no reason whatever to expect that England's will decrease faster than that of other nations.

In all these problems we have to look for the relative answer and to consider not whether England has suffered by the war, for it is most obvious that she has, but whether she will have been found to have suffered more than any competitor who may threaten her after-war position.

" Free trade/* says our German Jeremiah, " that mighty agent in the development of England's supremacy, will, in all probability, give

place to protection/' We venture to think that it will be recognised that the Free Trade policy of the past gave us a well-distributed wealth which was an invaluable